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MORTGAGE BANKING

MARCH 1984

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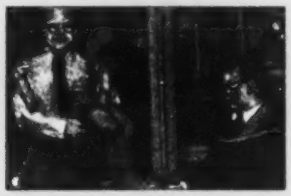

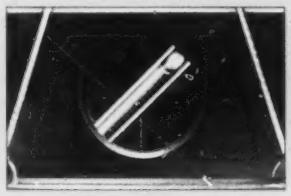

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MORTGAGE MARKET TRENDS

Prepared by MBA's Economics Department

February 8, 1984

With the introduction of the President's Fiscal Year (FY) 1985 budget one week ago, it is becoming clear that our political leaders do not plan to deal with the Federal budget deficit before election day. The budget document would set FY85 spending at $925.5 billion and receipts at $745.1 billion. The result would be a budget deficit of $180.4 billion, essentially the same as the shortfall expected for the current Fiscal Year. Although the proposed budget does include some modest measures to increase revenues and reduce outlays over the next few years, the projected deficits remain near $180 billion through 1987. The really bad news is that even this near record high level of deficit spending probably is not achievable with this budget, because the assumptions underlying the fiscal plan are overly optimistic. Specifically, the budget is based on short-term interest rates declining to near 6 percent by 1987 while the economy continues to grow 4 percent per year in real terms. The problem is that the massive amount of Government borrowing needed to finance deficits ultimately will push up interest rates and turn the economy toward recession.

Recognizing the problem of deficits, the President has called for bipartisan negotiations to work out a $100 billion, three-year "downpayment" on deficit reduction. The negotiations begin today, but there appears to be little common ground among the participants. The Treasury Department is working concurrently on a study designed to propose a more efficient and equitable tax system. This effort could lead to a proposal along the lines of a flat rate tax, but no report is expected before the elections.

Congressional Budget Office Director Rudolph G. Penner has just released his analysis of the Administration budget proposal. He estimates that the proposed budget would lead to a FY 1989 deficit of $326 billion, almost three times the Administration figure. Federal Reserve Chairman Paul A. Volcker testified before Congress yesterday that the levels of deficit spending envisioned would inflict long-term damage on the economy, as he called for rapid enactment of a $50 to $75 billion per year reduction in the deficit.

The effects of postponing action to control Federal deficits could be felt as early as this summer or as late as next spring. Credit market conditions will improve slightly through the spring due to a temporary softening in the demand for credit and no change in the monetary policy of the Federal Reserve. Business credit demand is relatively weak because strong profits are allowing much needed investment to be financed internally. Government borrowing will drop to only $35 billion in the second quarter due to the favorable timing of maturing debt that must be refinanced. If the economic recovery continues at the expected 4 to 5 percent annual rate, credit market conditions could begin to worsen by the third or fourth quarter. Government borrowing will reach $100 billion between July and December, and business credit needs will begin to outstrip retained earnings so that commercial and industrial loans will be growing. If these developments occur without some Congressional effort to reduce future deficits, the financial markets will expect either higher interest rates or higher inflation. The result will be rising interest rates, possibly even before election day. This outcome would slow economic growth and increase the risk of a recession early next year.

The only good news in this scenario is that a bout of rising interest rates would put significant pressure on Congress to cut spending and raise tax revenue. The last example was in 1982 when the $98 billion "tax enhancement" bill was passed and signed shortly before the Congressional elections.

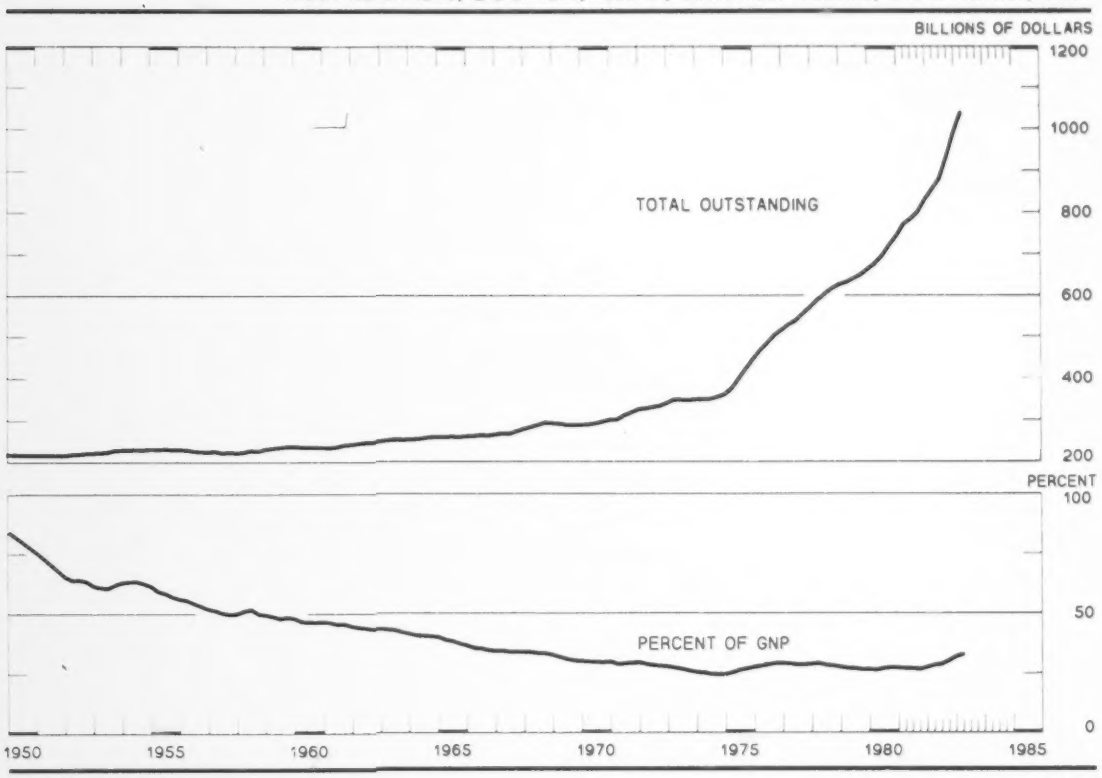
President Reagan and his advisors have said that they plan to offer significant budget initiatives next year, after the national elections. If these initiatives come forward in a rising interest rate environment, there will be a strong bandwagon effect to act quickly, and this turn of events could be significant for the real estate finance industry. Such efforts would focus on tax changes that could raise large amounts of revenue, and adequate time for careful study of such proposals might not be available.

Among the items that could be part of a major tax bill could be less favorable depreciation for real estate, a limit on the deduction of home mortgage interest, and limits on opportunities for syndication of real estate projects. This prospect provides all the more reason for continued pressure to make significant progress on the budget deficit now, before rising interest rates force precipitous action later.

Dr. Warren Matthews
Senior Economist

NET FEDERAL DEBT

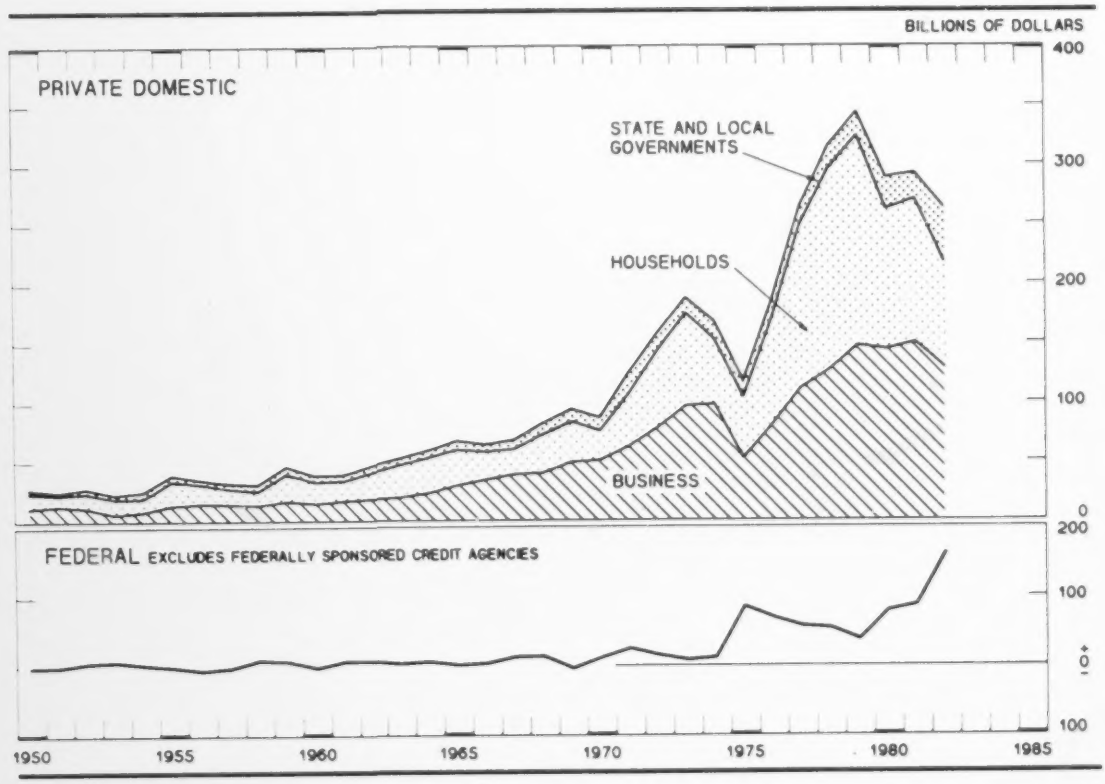
AMOUNT OUTSTANDING; END OF YEAR, 1950-51; SEASONALLY ADJUSTED, END OF QUARTER, 1952-



NET FUNDS RAISED

MAJOR NONFINANCIAL SECTORS

ANNUALLY



Source: Federal Reserve Board

MORTGAGE MARKET TRENDS—MARCH 1984

RESIDENTIAL STRUCTURES, BY UNIT TYPE

(Units in thousands)

Year and Month	PERMITS 16,000 ISSUING PLACES						HOUSING STARTS					
	Actual			Seasonally Adjusted Annual Rate			Actual			Seasonally Adjusted Annual Rate		
	Total	1-4 Units	5+ Units	Total	1-4 Units	5+ Units	Total	1-4 Units	5+ Units	Total	1-4 Units	5+ Units
1982												
SEP	100	61	39	1,003	657	346	105	71	34	1,134	773	361
OCT	100	63	37	1,172	737	435	111	73	38	1,142	782	360
NOV	100	64	36	1,284	843	441	109	73	36	1,361	947	414
DEC	76	50	26	1,168	810	358	83	57	26	1,280	921	359
1983												
JAN	85	56	29	1,447	1,996	461	92	64	29	1,707	1,239	468
FEB	93	56	36	1,479	949	530	96	66	30	1,784	1,220	564
MAR	135	91	44	1,467	985	482	135	95	40	1,605	1,108	497
APR	138	93	45	1,536	982	554	136	103	33	1,506	1,118	388
MAY	149	104	45	1,635	1,076	559	175	124	51	1,807	1,279	528
JUN	171	114	57	1,761	1,160	601	173	125	48	1,736	1,250	486
JUL	147	92	55	1,782	1,057	725	162	113	49	1,804	1,167	637
AUG	153	97	56	1,652	1,007	645	177	121	56	1,904	1,245	659
SEP	148	90	58	1,506	967	539	155	108	47	1,664	1,148	516
OCT	140	87	53	1,630	1,022	608	159	102	57	1,654	1,092	562
NOV	125	79	46	1,642	1,053	589	137	94	43	1,755	1,230	525
DEC	111p	67p	44p	1,605p	1,070p	535p	108p	69p	39p	1,667p	1,123p	544p
12 months												
1983	1,595	1,026	568				1,705	1,184	522			
1982	973	887	375				1,062	746	319			
1981	969	657	314				1,086	798	289			
1980	1,170	814	356				1,292	961	331			

VALUE OF NEW CONSTRUCTION PUT IN PLACE

(Dollars in millions)

Year and Month	Seasonally Adjusted Annual Rate			
	Total	1 Unit	2+ Units	Non-Res.
1982				
SEP	118,274	36,309	16,728	65,237
OCT	118,591	36,895	16,720	64,976
NOV	121,869	38,868	16,902	66,094
DEC	122,957	41,495	17,113	64,349
1983				
JAN	128,757	45,650	17,775	65,332
FEB	131,430	49,869	18,907	62,654
MAR	133,662	53,374	18,958	61,330
APR	134,876	57,134	20,130	57,612
MAY	139,801	61,926	20,300	57,575
JUN	147,929	65,797	22,124	60,008
JUL	152,028	67,598	25,082	59,348
AUG	157,313	68,746	26,025	62,542
SEP	157,582	68,337	26,614	62,631
OCT	151,067	66,327	25,807	58,929
NOV	154,375	65,488	26,525	62,362
DEC	155,406p	64,849p	27,064p	63,493p

HOUSE SALES

(Units in thousands)

Year and Month	EXISTING HOUSES[1]	NEW HOUSES		
		Sold	Available For Sale	Months Supply at Current Rate
1982				
SEP	168	40	248	6.9
OCT	173	41	245	6.1
NOV	167	39	250	5.5
DEC	148	33	255	5.8
1983				
JAN	155	44	256	5.2
FEB	163	46	253	5.4
MAR	237	57	259	5.2
APR	236	59	264	5.1
MAY	259	64	271	4.9
JUN	283	59	283	5.4
JUL	260	51	288	5.9
AUG	280	50	296	6.5
SEP	240	48	302	6.7
OCT	224	51	304	5.9
NOV	202	45	314	6.0
DEC	178p	50p	308p	4.5p
12 months				
1983	2,717	624		
1982	1,939	412		
1981	2,346	430		
1980	2,881	535		

RESIDENTIAL STRUCTURES, BY REGION

(units in thousands)

Year and Month	PERMITS 16,000 ISSUING PLACES								STARTS							
	Actual				Seasonally Adjusted Annual Rate				Actual				Seasonally Adjusted Annual Rate			
	North East	North Central	South	West	North East	North Central	South	West	North East	North Central	South	West	North East	North Central	South	West
1982																
AUG	13	10	42	17	113	106	485	184	12	16	49	16	119	164	567	196
SEP	12	15	51	21	114	131	530	228	16	15	54	20	138	141	629	226
OCT	13	14	51	22	135	139	635	263	10	20	58	23	108	156	628	250
NOV	14	13	56	17	127	131	649	285	14	15	63	17	160	183	773	245
DEC	8	7	41	21	112	148	738	307	8	7	47	21	122	155	714	289
1983																
JAN	6	6	52	21	152	188	764	343	5	6	63	18	164	231	992	307
FEB	8	6	57	22	185	163	794	337	7	8	58	24	270	263	900	351
MAR	11	14	82	28	136	173	835	323	13	13	80	29	210	196	855	344
APR	14	16	74	34	165	172	832	367	14	18	75	30	175	192	804	335
MAY	15	20	77	36	148	194	885	408	17	25	93	40	164	229	1,008	406
JUN	19	21	86	45	183	201	930	447	18	25	89	42	171	214	932	419
JUL	16	17	78	36	181	186	1,004	411	18	23	82	39	164	233	985	422
AUG	18	21	77	37	182	202	870	398	22	25	92	38	190	246	1,024	444
SEP	18	21	73	36	176	177	765	388	15	23	83	34	132	225	932	375
OCT	15	20	72	33	159	195	878	398	16	23	87	33	161	194	936	363
NOV	13	16	68	29	150	187	907	398	14	18	75	30	159	214	953	429
DEC	11p	11p	56p	33p	170p	208p	772p	455p	9p	10p	63p	26p	147p	197p	954p	369p
12 months																
1983	164	189	852	392					168	217	940	383				
1982	111	116	643	213					114	148	595	203				
1981	110	132	482	246					114	164	563	237				
1980	118	186	558	312					124	217	651	300				

CONSTRUCTION STATUS

(units in thousands)

Year and Month	UNDER CONSTRUCTION			COMPLETIONS		
	Total	1-4 Units	5+ Units	Total	1-4 Units	5+ Units
1982						
AUG	690	442	248	91	66	25
SEP	713	450	263	84	63	21
OCT	717	448	269	102	71	30
NOV	732	453	279	94	68	26
DEC	718	439	279	96	68	28
1983						
JAN	728	442	286	81	60	21
FEB	747	456	291	78	53	25
MAR	835	517	318	91	69	22
APR	832	516	316	90	69	21
MAY	901	565	336	106	75	31
JUN	951	597	354	123	93	30
JUL	988	615	373	120	91	29
AUG	1,010	629	381	155	106	49
SEP	1,025	632	393	133	99	34
OCT	1,029	622	407	152	110	42
NOV	1,041p	622p	419p	126p	95p	31p
DEC	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
12 months						
1983				n.a.	n.a.	n.a.
1982				1,004	740	294
1981				1,062	783	280
1980				1,496	1,067	429

INTEREST RATES AND YIELDS

Year and Month	1-4 UNIT MORTGAGES					APARTMENTS[3]	CONSTRUCTION LOANS[3] ALL TYPES	FNMA		GNMA Current Securities Yield[4]	SELECTED SECURITIES				SPREADS (Basis Points)	
	FHA Opinion Survey			FHLBB Survey				Mandatory Delivery Yields			Aaa Utility New Issue	U.S. Gov't.		Prime Commercial Paper 90-119 Days	FHA New Minus Aaa Utility	GNMA minus 10-yr Gov't.
	FHA New[1]	Conventional		Conventional				ARM (5 yr Treas)	Conv			10-yr	26-wk			
		New	Existing	New	Existing											
1982																
SEP	14.03	15.05	15.05	14.99	15.30	15.37			14.750	13.51	13.50	12.34	9.539	10.36	53	117
OCT	12.99	13.95	13.95	14.41	14.95	14.13		13.097	14.000	12.86	12.20	10.91	8.299	9.20	79	195
NOV	12.82	13.80	13.80	13.81	14.29	13.88	15.14	12.605	13.375	11.85	11.76	10.55	8.319	8.69	106	130
DEC	12.80	13.62	13.64	13.70	13.95	13.37		12.346	13.000	12.00	11.84	10.54	8.225	8.51	96	146
1983																
JAN	12.87	13.44	13.45	13.49	13.54	13.88		12.097	13.000	11.89	12.05	10.46	7.898	8.17	82	143
FEB	12.65	13.18	13.19	13.16	13.40	13.75		12.376	12.875	12.20	12.08	10.72	8.233	8.34	110	148
MAR	12.68	13.17	12.85	13.51	13.04	13.63	12.56	11.916	12.920	11.82	11.70	10.51	8.325	8.52	98	131
APR	12.50	13.02	13.07	12.42	12.88	13.50		11.955	12.775	11.78	11.41	10.40	8.343	8.53	109	138
MAY	12.41	13.09	13.09	12.67	12.82	13.63	11.72	11.470	12.583	11.54	11.32	10.38	8.20	8.33	109	116
JUN	12.96	13.37	13.38	12.36	12.67	14.00		12.480	13.163	12.03	11.87	10.85	8.89	9.00	109	118
JUL	14.23	14.00	14.01	12.50	12.63	14.50		12.975	13.638	12.80	12.32	11.38	9.26	9.25	191	142
AUG	13.78	13.90	13.92	12.38	12.72	14.38	12.99	13.195	13.688	13.22	12.25	11.85	9.51	9.54	153	137
SEP	13.55	13.60	13.62	12.34	12.85	14.24		12.863	13.213	12.78	12.53	11.65	9.15	9.24	102	113
OCT	13.23	13.52	13.53	12.25	12.65	14.11		12.575	12.963	12.58	12.43	11.54	8.83	8.99	80	104
NOV	13.23	13.48	13.49	12.34	12.58	14.15	12.24	12.787	13.012	12.62	12.64	11.69	8.93	9.10	59	93
DEC	13.25	13.62	13.64	12.45	12.43	13.95		12.870	13.050	12.65	12.62	11.83	9.17	9.53	63	82

LONG-TERM MORTGAGE LOANS CLOSED

(Dollars in Millions)

Year and Month	BY TYPE OF INSTITUTION					BY TYPE OF UNIT, AND INSTITUTION													
						1-4 Units					5+ Units					Nonresidental				
	Total	Mtg. Bankers	S&Ls	Banks[a]	Life Cos.	Total	Mtg. Bankers	S&Ls	Banks[a]	Life Cos.	Total	Mtg. Bankers	S&Ls	Banks	Life Cos.	Total	Mtg. Bankers	S&Ls	Banks[a]	Life Cos.
1982																				
JUN	10,882	2,530	4,041	3,826	485	7,463	2,160	3,258	1,995	50	637	130	271	223	13	2,782	240	512	1,608	422
JUL	10,164	2,230	3,427	3,661	846	6,981	1,950	2,922	2,049	60	481	50	206	177	48	2,702	230	299	1,435	738
AUG	9,848	2,450	3,601	3,251	546	7,042	2,130	2,909	1,958	45	573	70	280	210	13	2,233	250	412	1,083	488
SEP	10,467	2,280	3,858	3,855	474	7,541	2,090	3,130	2,276	45	593	50	295	226	22	2,333	140	433	1,353	407
OCT	10,724	2,850	3,529	3,764	581	7,447	2,290	2,817	2,296	44	761	320	216	210	15	2,516	240	496	1,258	522
NOV	12,230	3,240	4,026	4,458	506	8,907	2,770	3,148	2,935	54	682	200	337	107	38	2,611	270	541	1,416	414
DEC	18,448	4,720	6,443	5,724	1,561	12,761	4,210	4,778	3,705	68	1,125	150	605	297	73	3,562	360	1,060	1,722	1,420
1983																				
JAN	15,616	4,710	4,755	5,371	780	10,695	3,880	3,621	3,146	48	1,532	650	529	312	41	3,389	180	605	1,913	691
FEB	16,396	4,450	5,090	5,987	869	11,562	3,980	3,946	3,593	43	1,084	170	383	453	78	3,750	300	761	1,941	748
MAR	21,468	5,910	7,577	6,965	1,016	15,824	5,050	5,877	4,839	58	1,113	70	677	285	81	4,531	790	1,023	1,841	877
APR	20,459	6,080	7,942	5,681	756	14,661	4,790	6,292	3,523	56	1,884	890	656	288	50	3,910	400	990	1,870	650
MAY	22,111	5,590	8,348	7,354	819	15,670	4,740	6,903	3,970	57	1,397	300	549	490	58	5,044	550	896	2,894	704
JUN	29,936	7,120	10,936	10,354	1,526	20,993	5,950	8,683	6,268	92	2,621	910	916	645	150	6,322	260	1,337	3,441	1,284
JUL	24,310	5,810	10,275	7,230	995	18,650	5,450	8,297	4,839	64	1,191	30	759	331	71	4,469	330	1,219	2,360	860
AUG	28,942	5,730	11,291	10,042	1,879	20,755	5,000	9,197	6,501	57	1,725	220	740	523	242	6,462	510	1,354	3,018	1,580
SEP	24,331	4,470	10,331	8,115	1,415	16,815	3,660	8,127	4,979	49	1,569	220	774	439	136	5,947	590	1,430	2,697	1,230
OCT	21,065	4,130p	8,586	7,121	1,228	14,857	3,560p	6,823	4,427	47	1,501	170p	759	410	162	4,707	400p	1,004	2,284	1,019

LONG-TERM COMMITMENT ACTIVITY

(Dollars in Millions)

Year and Month	OUTSTANDING					ISSUED DURING MONTH				
	Total	Mtg. Bankers	S&Ls	Banks[a]	Life Cos.	Total	Mtg. Bankers	S&Ls	Banks[a]	Life Cos.
1982										
JUN	48,130	8,100	17,327	12,543	10,160	8,105	2,560	3,597	1,648	300
JUL	48,616	8,500	16,951	13,436	9,729	8,461	2,700	3,537	1,679	545
AUG	49,495	9,050	17,748	13,192	9,505	8,946	3,050	3,847	1,615	434
SEP	50,444	9,800	18,241	13,108	9,295	10,089	4,240	3,888	1,466	495
OCT	53,690	12,570	19,328	12,512	9,280	13,094	6,740	4,024	1,620	710
NOV	59,572	15,660	20,785	13,457	9,670	15,456	7,290	5,017	1,819	1,330
DEC	61,755	16,320	21,548	14,267	9,620	15,487	6,110	6,002	1,991	1,304
1983										
JAN	62,967	16,520	22,945	13,802	9,700	15,693	7,010	5,555	1,928	1,200
FEB	69,139	18,840	25,677	14,965	9,717	16,887	6,460	7,271	2,086	1,070
MAR	72,413	18,500	28,846	15,217	9,850	22,322	7,660	10,291	3,073	1,298
APR	76,041	19,550	31,850	14,311	10,330	22,049	7,460	9,730	3,265	1,594
MAY	78,413	17,740	33,906	16,242	10,531	23,141	7,470	10,622	3,744	1,305
JUN	81,936	19,560	35,319	15,910	11,147	26,002	7,330	12,555	4,011	2,106
JUL	78,741	17,090	36,852	12,651	12,148	26,571	6,840	14,092	3,475	2,164
AUG	79,490	14,990	38,590	13,770	12,140	24,126	6,160	12,668	3,653	1,645
SEP	77,774	13,750	38,562	13,495	11,967	20,364	4,620	10,895	3,454	1,395
OCT	89,620	25,890p	38,417	13,721	11,592	16,854	5,370p	9,484	2,940	1,060
NOV	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.

MORTGAGE INSURANCE

(Units in Thousands, Dollars in Millions)

Year and Month	APPLICATIONS RECEIVED UNITS			INSURED							
		FHA/		Total		FHA (203)		VA		Private	
	Total	VA	Private	Units	Amt.	Units	Amt.	Units	Amt.	Units	Amt.
1982											
JUN	83	40	43	50	2,743	9	408	8	443	33	1,892
JUL	84	38	46	52	2,687	9	375	9	482	34	1,830
AUG	82	36	46	54	2,997	8	352	10	573	36	2,072
SEP	91	47	44	60	3,248	11	462	13	743	36	2,043
OCT	103	59	44	52	2,826	10	425	6	385	36	2,016
NOV	104	60	44	53	2,920	11	498	8	455	34	1,967
DEC	175	125	50	63	3,471	16	703	9	564	38	2,204
1983											
JAN	137	98	39	54	3,201	14	637	10	630	30	1,934
FEB	138	96	42	62	3,607	17	795	15	961	30	1,851
MAR	176	113	63	87	5,003	31	1,508	20	1,243	36	2,252
APR	180	117	63	96	5,483	39	1,867	19	1,190	38	2,426
MAY	165	91	74	101	5,959	24	1,152	30	1,911	47	2,896
JUN	233	145	85	139	8,015	60	2,938	24	1,541	55	3,536
JUL	182	102	80	115	6,863	38	1,854	20	1,224	57	3,785
AUG	205	106	99	139	8,665	31	1,641	35	2,193	73	4,831
SEP	152	66	86	161	9,702	56	2,922	33	2,092	72	4,688
OCT	141	58	83	125	7,752	26	1,362	30	1,934	69	4,456
NOV	131p	51p	80	131p	7,980p	34p	1,772p	25	1,598	72	4,610

SECONDARY MARKET ACTIVITY

(Dollars in Millions)

Year and Month	FNMA				FHLMC				GNMA	
	Portfolio		Mortgage Backed Securities		Comm. to Sell	Comm. to Buy	Mtg. Purc.	Sold	Pass-Through Securities	
	Comm.	Purc.	Comm.	Issued					Applications	Issued
1982										
APR	2,482	755	428	662	2,726	2,824	2,144	2,176	1,219	835
MAY	1,550	1,006	467	802	1,699	2,692	1,214	1,194	1,812	1,194
JUN	1,582	1,223	2,696	337	3,207	3,166	1,581	1,564	2,800	1,530
JUL	2,016	1,354	670	1,858	2,201	2,181	2,236	2,205	2,116	1,011
AUG	1,820	1,931	1,694	789	2,906	2,768	2,529	2,618	2,850	1,383
SEP	1,482	1,670	1,503	1,008	2,980	2,892	1,798	1,924	16,429	110
OCT	1,426	1,449	1,741	2,167	2,467	2,506	2,000	2,200	1,297	1,441
NOV	2,795	1,681	2,281	1,838	1,818	1,714	1,917	2,177	1,692	1,564
DEC	3,055	2,495	1,415	2,436	897	1,068	3,916	3,804	3,093	2,330
1983										
JAN	2,006	2,045	1,409	1,082	2,004	2,059	1,479	1,641	4,593	2,657
FEB	784	1,594	1,496	1,213	847	868	1,688	1,756	4,316	3,573
MAR	1,184	1,433	2,237	1,684	1,410	1,438	2,849	2,469	9,487	5,292
APR	1,023	1,004	1,055	1,152	2,149	3,079	1,807	1,525	6,423	4,359
MAY	1,534	1,579	1,251	1,160	2,881	2,334	2,439	1,408	6,687	4,654
JUN	2,506	1,333	1,713	1,097	2,319	2,358	1,494	1,244	6,444	5,246
JUL	1,198	1,358	1,618	1,651	4,621	4,671	1,523	1,491	5,468	4,363
AUG	1,282	1,213	820	1,052	5,592	6,367	1,621	1,585	7,976	5,943
SEP	2,739	1,203	2,181	1,018	3,183	3,283	2,263	1,555	6,749	4,200
OCT	1,882	1,244	664	750	2,382	2,598	2,886	2,758	3,891	3,808
NOV	997	1,348	780	381	1,596	2,093	1,287	1,139	4,201	3,857

MORTGAGE BANKERS CONSTRUCTION AND LAND LOAN ACTIVITY

(Dollars in Millions)

Year and Month	DISBURSEMENTS DURING MONTH					Construction Loans Closed			
	Construction				Land Loans				
	Total	1-4 Units	5+ Units	Non-res.		Total	1-4 Units	5+ Units	Non-res.
APR	240	50	50	140	70	490	90	140	260
MAY	90	30	20	40	50	620	80	160	380
JUN	120	40	30	50	80	700	80	300	320
JUL	110	40	20	50	40	430	50	250	130
AUG	100	40	20	40	60	540	90	200	250
SEP	110	40	20	50	40	320	80	130	110
OCT	130	70	20	40	30	230	100	110	20
NOV	130	80	10	40	30	430	130	220	80
DEC	170	70	30	70	60	490	120	110	260
JAN	100	50	20	30	60	280	120	30	130
FEB	150	60	30	60	60	280	110	60	110
MAR	170	80	20	70	50	540	180	190	170
APR	130	50	10	70	60	290	150	610	80
MAY	320	160	40	120	160	470	130	80	260
JUN	430	170	60	200	120	500	130	90	280
JUL	120	60	10	50	40	180	80	30	70
AUG	110	70	10	30	80	200	120	20	60
SEP	160	70	20	70	50	440	100	60	280
OCT	120p	50p	20p	50p	90p	330p	80p	130p	120p
NOV	160p	80p	10p	70p	90p	390p	150p	120p	120p

n.a.—Not available; p—Preliminary.
[1]From the National Association of Realtors' "Existing Home Sales" series.
[2]Reflects cumulative total through the latest month for each column.
[3]Secondary market gross yields.
[4]Federal Home Loan Mortgage Corp. Existing construction only.
[5]Federal Reserve's weighted average interest rate for Commercial Banks.
[6]Weighted average gross yields for accepted bids.
[7]Survey of three New York security dealers. Securities for immediate delivery.
[8]Mutual Savings Banks and Commercial Banks.

Sources: American Council of Life Insurance, Board of Governors of the Federal Reserve System, Bureau of the Census, Citicorp Real Estate Inc., Department of Housing and Urban Development, Federal Home Loan Bank Board, Federal Home Loan Mortgage Corporation, Federal National Mortgage Association, Government National Mortgage Association, Mortgage Bankers Association of America, National Association of Mutual Savings Banks, National Association of Realtors, Veterans Administration.

MORTGAGE BANKING ACTIVITY

LONG-TERM MORTGAGE LOANS CLOSED[1]

Year and Month	SEASONALLY ADJUSTED				NOT SEASONALLY ADJUSTED							
						1-4 Units				5+ Units			
	Total[2]	1-4 Units	5+ Units	Non-Res.	Total	Total	FHA	VA	Conv.	Total	FHA	Conv.	Non-[3] Res.
1981													
DEC	2,290	1,660	170	280	2,530	1,800	600	390	810	190	0	190	540
1982													
JAN	1,590	1,150	130	380	1,430	1,030	330	240	460	150	40	110	250
FEB	1,640	1,310	140	210	1,400	1,030	370	200	460	140	70	70	230
MAR	2,380	1,800	100	430	2,090	1,570	480	240	850	90	40	50	430
APR	2,190	1,790	80	300	1,940	1,550	450	250	850	80	20	60	310
MAY	2,350	1,820	760	340	2,090	1,660	530	290	840	150	50	100	280
JUN	2,550	2,110	110	300	2,530	2,160	670	400	1,090	130	120	10	240
JUL	2,170	1,730	50	280	2,230	1,950	610	370	970	50	50	0	230
AUG	2,040	1,860	70	320	2,450	2,130	720	420	990	70	10	60	250
SEP	1,960	1,820	30	140	2,280	2,090	700	490	900	50	10	40	140
OCT	2,470	1,890	510	250	2,850	2,290	840	550	900	320	90	230	240
NOV	3,370	2,950	200	260	3,240	2,770	1,190	690	890	200	140	60	270
DEC	4,270	3,870	130	180	4,720	4,210	1,620	1,020	1,570	150	0	150	360
1983													
JAN	5,230	4,350	580	270	4,710	3,880	1,720	940	1,220	650	30	620	180
FEB	5,220	5,060	170	270	4,450	3,980	1,640	970	1,370	170	0	170	300
MAR	6,730	5,780	80	800	5,910	5,050	2,180	1,350	1,520	70	40	30	790
APR	6,850	5,520	900	380	6,080	4,790	1,890	1,130	1,770	890	0	890	400
MAY	6,280	5,190	530	660	5,590	4,740	2,030	1,150	1,560	300	10	290	550
JUN	7,160	5,800	790	320	7,120	5,950	2,150	1,310	2,490	910	600	310	260
JUL	5,650	4,830	30	410	5,810	5,450	2,110	1,280	2,060	80	10	20	330
AUG	4,780	4,360	230	640	5,730	5,000	1,760	1,170	2,070	220	30	190	510
SEP	3,850	3,190	140	590	4,470	3,660	1,260	830	1,570	220	60	160	590
OCT	3,580p	2,940p	270p	420p	4,130p	3,560p	1,080p	720p	1,760p	170p	0p	170p	400p
NOV	5,200p	4,700p	100p	470p	5,000p	4,410p	1,270p	820p	2,320p	100p	30p	70p	60p

COMMITMENT ACTIVITY: LONG-TERM MORTGAGE LOANS

Year and Month	COMMITMENTS DURING MONTH								OUTSTANDING COMMITMENTS END OF MONTH					
	To Borrowers				From Investors				To Borrowers			From Investors		
	Total	1-4 Units	5+ Units	Non-Res.	Total	1-4 Units	5+ Units	Non-Res.	1-4 Units	5+ Units	Non-Res.	1-4 Units	5+ Units	Non-Res.
1981														
DEC	3,150	2,370	170	610	2,470	2,020	160	290	5,890	950	600	4,780	1,240	710
1982														
JAN	2,320	1,850	170	300	2,590	1,970	100	520	5,160	1,150	940	4,350	1,540	1,200
FEB	2,410	1,790	60	560	2,860	2,000	80	780	5,030	930	970	3,680	1,370	1,270
MAR	3,370	2,440	210	720	2,450	2,070	270	110	6,270	560	960	4,540	880	1,260
APR	3,630	1,830	330	1,470	4,450	2,510	300	1,640	5,950	640	1 630	5,280	730	1,600
MAY	3,380	2,070	390	920	3,460	2,130	420	910	6,460	740	1,060	5,450	1,430	1,220
JUN	2,560	2,140	130	290	2,780	2,170	140	470	6,430	630	1,040	5,860	1,090	1,230
JUL	2,700	2,070	70	560	3,880	3,000	110	770	6,440	680	1,460	6,340	1,020	1,690
AUG	3,050	2,550	240	260	3,970	3,450	260	260	7,300	850	900	6,320	1,200	980
SEP	4,240	3,970	60	210	4,870	4,360	130	380	8,030	1,100	670	7,960	1,750	840
OCT	6,740	5,080	1,010	650	4,090	2,560	1,020	510	10,850	950	770	7,830	1,590	950
NOV	7,290	5,740	490	1,060	6,010	3,990	950	1,070	13,260	1,490	910	10,011	2,250	1,160
DEC	6,110	5,230	170	710	5,330	4,170	180	980	14,680	800	840	9,400	1,180	1,040
1983														
JAN	7,010	5,550	880	580	5,140	4,250	80	810	14,370	1,240	910	8,920	1,380	1,140
FEB	6,460	5,850	290	320	6,160	4,690	630	840	15,840	1,960	1,040	8,260	2,260	1,420
MAR	7,660	6,060	1,390	210	9,130	6,560	1,830	740	15,450	2,190	860	9,750	2,480	1,160
APR	7,460	6,080	460	920	8,300	6,880	260	1,160	16,140	2,240	1,170	11,480	2,440	1,430
MAY	7,470	7,030	0	440	6,080	5,310	190	580	16,350	540	850	9,970	1,590	1,110
JUN	7,330	7,210	0	120	7,760	7,030	310	420	18,300	530	730	12,230	1,590	1,010
JUL	6,840	6,170	0	670	7,060	6,280	160	620	15,890	520	680	11,760	680	870
AUG	6,160	5,450	0	710	6,950	5,920	20	1,010	13,640	460	890	10,820	570	1,050
SEP	4,620	4,510	0	110	5,880	4,350	870	660	12,560	410	780	8,610	1,260	790
OCT	4,990p	4,760p	0p	230p	5,900p	5,550p	160p	190p	12,160p	3,220p	880p	9,740p	4,550p	850p
NOV	6,040p	4,600p	800p	640p	4,470p	2,940p	940p	590p	11,740p	1,440p	1,130p	8,850p	2,390p	990p

Notes: [1]All dollar amounts are in millions.

[2]Total is seasonally adjusted separately from components. Total, therefore, may not equal sum of parts.

[3]Series labeled non-residential are also inclusive of farm data.

[4]Percent coverage equals outstanding commitments received from investors divided by the sum of outstanding end of month inventory and outstanding commitments issued to borrowers, all multiplied by 100.

Year and Month	OUTSTANDING END OF MONTH INVENTORY									COVERAGE[a]			SERVICING VOLUME		
		1-4 Units				5+ Units			Non-Res.	1-4 Units	5+ Units	Non-Res.	1-4 Units	5+ Units	Non-Res.
	Total	Total	FHA	VA	Conv.	Total	FHA	Conv.							
1981															
DEC	4,330	2,280	470	320	1,490	1,230	160	1,070	820	59	57	50	212,560	22,750	39,210
1982															
JAN	6,150	3,200	670	460	2,070	1,680	220	1,460	1,270	52	54	54	204,420	26,490	40,660
FEB	5,590	2,910	590	440	1,880	1,540	280	1,260	1,140	46	55	60	204,960	25,450	40,430
MAR	5,670	3,370	700	400	2,230	970	130	840	1,330	47	58	55	216,430	29,520	40,140
APR	6,350	3,230	690	480	2,060	1,230	140	1,090	1,890	58	39	45	214,400	27,670	42,660
MAY	6,210	3,370	720	510	2,140	1,650	150	1,500	1,190	55	60	54	219,330	28,800	41,230
JUN	4,580	3,270	860	560	1,850	720	180	540	590	60	81	75	224,410	27,810	40,610
JUL	7,020	3,670	870	670	2,130	1,660	190	1,470	1,690	63	44	54	215,890	25,260	39,410
AUG	6,800	3,960	960	610	2,390	1,690	190	1,500	1,150	56	47	48	236,970	28,020	40,630
SEP	8,360	4,080	1,010	660	2,410	3,240	190	3,050	1,040	66	40	49	236,860	28,660	40,870
OCT	8,390	4,390	1,050	880	2,460	2,750	180	2,570	1,250	51	43	47	240,780	28,380	41,310
NOV	9,140	5,070	1,440	1,050	2,580	2,890	400	2,490	1,180	55	51	56	240,710	29,620	42,560
DEC	8,690	6,000	1,890	1,290	2,820	1,590	220	1,370	1,100	45	49	54	251,510	32,820	44,080
1983															
JAN	11,220	6,450	2,180	1,440	2,830	3,600	470	3,130	1,170	43	29	55	245,140	42,090	41,960
FEB	12,000	7,030	2,220	1,500	3,310	3,570	470	3,100	1,400	36	41	58	248,980	41,980	42,230
MAR	11,960	7,250	2,410	1,640	3,200	3,490	480	3,010	1,220	43	44	56	248,630	41,300	44,850
APR	12,080	7,170	2,340	1,700	3,130	2,760	10	2,750	1,000	49	49	66	262,050	43,670	43,790
MAY	11,200	6,930	2,510	1,700	2,720	3,470	10	3,460	800	43	40	64	267,170	44,300	41,940
JUN	12,920	8,260	2,780	1,850	3,630	3,480	10	3,470	850	46	40	64	294,020	51,230	45,180
JUL	11,960	7,760	2,490	1,710	3,560	3,410	0	3,410	790	50	17	60	305,860	43,090	42,620
AUG	11,480	7,190	2,170	1,600	3,420	3,400	0	3,400	890	52	15	59	289,220	41,800	39,150
SEP	10,870	6,530	1,870	1,460	3,200	3,440	10	3,430	900	45	33	47	264,720	44,760	33,870
OCT	11,010p	6,600p	1,730p	1,480p	3,390p	3,440p	100p	3,340p	970p	52p	68p	46p	272,820p	44,890p	33,630p
NOV	10,890p	6,430p	1,750p	1,360p	3,320p	3,240p	0p	3,240p	1,220p	49p	51p	42p	254,880p	43,680p	33,640p

CONSTRUCTION AND LAND LOAN ACTIVITY

Year and Month	DISBURSEMENTS DURING MONTH					CONSTRUCTION LOANS CLOSED				END OF MONTH INVENTORY				
	Total	1-4 Units	5+ Units	Non-Res.	Land Loans	Total	1-4 Units	5+ Units	Non-Res.	Total	1-4 Units	5+ Units	Non-Res.	Land Loans
1981														
DEC	180	70	40	70	70	990	590	130	270	4,240	1,020	1,120	2,100	900
1982														
JAN	90	20	20	50	40	460	50	130	280	2,430	580	570	1,280	570
FEB	110	40	20	50	70	340	60	50	230	2,540	600	640	1,300	600
MAR	90	50	10	30	50	480	90	60	330	2,320	570	570	1,180	570
APR	240	50	50	140	70	490	90	140	260	2,720	580	690	1,450	640
MAY	90	30	20	40	50	620	80	160	380	2,670	560	690	1,420	610
JUN	120	40	30	50	80	700	80	300	320	3,070	600	780	1,690	640
JUL	110	40	20	50	40	430	50	250	130	3,010	600	690	1,720	610
AUG	100	40	20	40	60	540	90	200	250	2,480	640	650	1,190	630
SEP	110	40	20	50	40	320	80	130	110	2,740	690	670	1,380	630
OCT	130	70	20	40	30	230	100	110	20	3,460	830	920	1,710	600
NOV	130	80	10	40	30	430	130	220	80	3,150	840	740	1,570	610
DEC	170	70	30	70	60	490	120	110	260	3,190	880	700	1,610	620
1983														
JAN	100	50	20	30	60	280	120	30	130	2,810	750	650	1,410	580
FEB	150	60	30	60	60	280	110	60	110	3,160	890	620	1,650	630
MAR	170	80	20	70	50	540	180	190	170	3,090	930	580	1,580	610
APR	130	50	10	70	60	290	150	610	80	2,030	610	330	1,090	680
MAY	320	160	40	120	160	470	130	80	260	7,290	2,080	1,140	4,070	1,600
JUN	430	170	60	200	120	500	130	90	280	7,400	2,120	1,080	4,200	1,580
JUL	120	60	10	50	40	180	80	30	70	2,580	810	380	1,390	660
AUG	110	70	10	30	80	200	120	20	60	2,410	760	340	1,310	650
SEP	160	70	20	70	50	440	100	60	280	3,120	950	430	1,740	650
OCT	120p	50p	20p	50p	90p	330p	80p	130p	120p	3,150p	960p	410p	1,780p	730p
NOV	110p	50p	50p	10p	90p	160p	80p	10p	70p	3,500p	1,100p	390p	2,010p	740p

Year and Month	COMMITMENTS TO BORROWERS: LAND AND CONSTRUCTION LOANS							NOTES PAYABLE			
	Issued During Month				End of Month Balances			End of Month Balances			
	Total	1-4 Units	5+ Units	Non-Res.	Total	1-4 Units	5+ Units	Non-Res.	Total	Comm. Paper	To Parent	To Others
1981												
DEC	1,920	140	1,310	470	7,480	770	2,910	3,800	10,960	1,160	5,710	4,090
1982												
JAN	2,030	160	1,400	470	8,070	650	3,620	3,800	10,790	1,200	6,150	3,440
FEB	680	60	190	430	7,530	540	3,340	3,650	10,910	1,260	5,700	3,950
MAR	890	170	160	560	6,420	630	2,300	3,790	11,790	1,330	7,030	3,430
APR	2,720	100	1,090	1,530	7,820	560	2,330	4,930	12,270	1,070	5,900	5,300
MAY	1,270	130	670	470	8,150	660	3,230	4,260	11,020	1,200	5,400	4,420
JUN	930	110	300	520	7,660	590	2,250	4,820	13,760	1,310	6,050	6,400
JUL	940	60	330	550	8,900	580	2,250	6,070	11,210	1,930	5,320	3,960
AUG	750	100	350	300	4,420	690	1,570	2,160	12,680	1,740	5,440	5,500
SEP	660	90	430	140	6,180	980	2,730	2,470	12,190	2,080	6,130	3,980
OCT	2,370	110	2,000	260	7,180	660	3,630	2,890	18,330	1,460	7,870	9,000
NOV	1,370	190	880	300	7,810	860	4,040	2,910	12,720	1,910	5,850	4,960
DEC	1,050	160	500	390	5,800	850	2,220	2,730	14,660	2,740	6,950	4,970
1983												
JAN	1,730	100	1,420	210	7,170	660	3,990	2,520	19,270	3,320	10,270	5,680
FEB	1,020	130	420	470	8,830	810	4,570	3,450	20,070	3,530	8,370	8,170
MAR	2,840	240	2,260	340	9,400	1,010	5,810	2,580	10,640	3,960	9,510	7,170
APR	1,350	140	500	710	8,400	980	4,900	2,520	20,120	3,330	10,200	6,590
MAY	1,070	120	610	290	6,280	650	3,900	1,730	25,640	3,780	10,460	11,400
JUN	1,410	160	550	700	6,780	970	3,710	2,100	36,620	4,490	10,570	21,560
JUL	1,970	120	1,780	70	7,160	910	4,660	1,590	36,150	4,410	14,000	17,640
AUG	900	180	100	620	5,620	940	2,480	2,200	35,370	8,920	10,920	15,530
SEP	1,100	100	690	310	5,210	870	2,190	2,150	41,300	3,110	9,820	28,370
OCT	1,510p	120p	830p	560p	10,460p	900p	7,260p	2,300p	43,760p	2,780p	9,230p	31,750p
NOV	1,770p	130p	890p	750p	8,480p	1,270p	3,960p	3,250p	30,450p	3,500p	10,360p	16,590p